



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

September 7, 2012

Elizabeth Johnson
Geothermal Officer
California Division of Oil, Gas, and Geothermal Resources
801 K Street, MS 20-21
Sacramento, California 95814

**RE: Canby Geothermal Field
Modoc Contracting Company**

Dear Ms. Johnson,

Thank you for your letter of June 11, 2012 regarding the Canby Geothermal Field. Based on the information you have provided to the United States Environmental Protection Agency, Region 9 Ground Water Office ("EPA"), including your letter, we understand that the geothermal reservoir is an underground source of drinking water (USDW), that the two wells described in your letter are completed within the same reservoir, and that the proposed injection fluid will be solely "return flow" fluid that has not been altered nor introduced with wastes of any kind.

With these understandings, we have determined that an Aquifer Exemption as defined in 40 CFR §§ 144.7 and 146.4, is not required. However, we require that this Aquifer must be protected by a permit such that injection must not violate the terms and requirements of 40 CFR § 144.12 "Prohibition of movement of fluid into underground sources of drinking water." In addition, our determination is based on the information and current representations you have provided. Should there be any change to the proposed activities or circumstances, please notify EPA.

If you have any questions, or wish to discuss this letter, please call me at 415-972-3971 or contact George Robin of my staff at 415-972-3532.

Sincerely,

A handwritten signature in blue ink, appearing to read "D Albright".

David Albright
Manager, Ground Water Office

cc: Tim Kustic, State Oil and Gas Supervisor